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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/858,384	05/16/2001	Timothy D. Allen	47767-2	3415

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EXAMINER

HARBECK, TIMOTHY M

ART UNIT	PAPER NUMBER
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3692

DATE MAILED: 12/01/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/858,384

Applicant(s)

ALLEN ET AL.

Examiner

Timothy M. Harbeck

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 15 September 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-26 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____.

- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____.

DETAILED ACTION

Specification

The disclosure is objected to because of the following informalities: The disclosure is objected to because it contains an embedded hyperlink and/or other form of browser-executable code (Page 4, line 28). Applicant is required to delete the embedded hyperlink and/or other form of browser-executable code. See MPEP § 608.01.

Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-2, 5-7, 21-22 and 25-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kelly et al (hereinafter Kelly US 2001/0056397).

Re Claim 1: Kelly discloses a process for mortgage customer retention by a mortgage servicing institution comprising the steps of:

- Capturing customer indicia input by a borrower (Page 2, paragraph 0027)

Kelly does not explicitly disclose the steps of

- Identification of the borrower's existing mortgage servicing institution
either through information input by said borrower or by using said input

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information to determine said borrower's existing mortgage servicing institution by comparison with a database of mortgaging servicing institutions

- Linking said borrower with said existing borrower's mortgage servicing institution; and
- Notification of the borrower's existing mortgage servicing institution

However Kelly does disclose that the object of his invention is to provide a mortgage instrument that can be continuously modified, either at the request of the customer or automatically when certain parameters have been met (See paragraphs 0008-0010 and 0027-0040). Furthermore Kelly notes that problems with existing systems, specifically for servicers of mortgages is that these institutions often lose customers due to refinancing when a modification might be more beneficial to all parties (paragraph 0006). Therefore it would have been obvious to anyone of ordinary skill in the art at the time of invention to modify Kelly to include the steps of identifying, linking and notifying a servicer if one of their customers is seeking a modification, so that these customers do not go the route of refinancing, but rather can modify their existing mortgage, saving the customer money and allowing the servicer to maintain their client. Identification is necessary to avoid inadvertently directing a customer to the wrong place, the linking step allows for the negotiation of an appropriate modification, and the notification of the servicing institution is necessary so that they are aware of a customer wishing to modify and they can enter negotiations or offer them a new rate.

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Re Claim 2: Kelly discloses the claimed process supra and further discloses securing permission of said borrower prior to notification of said borrower's mortgage servicing institution (Page 3 paragraph 0032; inherent in customer initiated; system initiated requests permission).

Re Claim 5: Kelly discloses the claimed process supra and further discloses displaying at least one of said borrower's mortgage servicing institution customer retention program (Paragraphs 0027-0040; via the use of the web site, a customer can view the modification plans, which are designed as a means of customer retention to counteract the risk of refinancing with a different entity).

Re Claim 6: Kelly discloses the claimed process supra and further discloses wherein said customer retention program further comprises at least one of: (iv) mortgage modification options (paragraphs 0030-0040).

Re Claim 7: Kelly discloses the claimed process supra and further discloses performing a mortgage modification and changing terms on said borrower's original mortgage (0027-0029).

Re Claim 21: Kelly discloses a process for mortgage customer retention by a mortgage servicing institution comprising the steps of:

- Capturing customer indicia input by a borrower (Page 2, paragraph 0027)
- Revising terms of said existing mortgage by interaction between said borrower and said existing mortgage servicing institution (0027-0040)

Kelly does not explicitly disclose the steps of

- Identification of the borrower's existing mortgage servicing institution either through information input by said borrower or by using said input information to determine said borrower's existing mortgage servicing institution by comparison with a database of mortgaging servicing institutions
- Linking said borrower with said mortgage borrower's existing mortgage servicing institution; and
- Notification of the existing borrower's mortgage servicing institution

However Kelly does disclose that the object of his invention is to provide a mortgage instrument that can be continuously modified, either at the request of the customer or automatically when certain parameters have been met (See paragraphs 0008-0010 and 0027-0040). Furthermore Kelly notes that problems with existing systems, specifically for servicers of mortgages is that these institutions often lose customers due to refinancing when a modification might be more beneficial to all parties (paragraph 0006). Therefore it would have been obvious to anyone of ordinary skill in the art at the time of invention to modify Kelly to include the steps of identifying, linking and notifying a servicer if one of their customers is seeking a modification, so that these customers do not go the route of refinancing, but rather can modify their existing mortgage, saving the customer money and allowing the servicer to maintain their client. Identification is necessary to avoid inadvertently directing a customer to the wrong place, the linking step allows for the negotiation of an appropriate modification, and the

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notification of the servicing institution is necessary so that they are aware of a customer wishing to modify and they can enter negotiations or offer them a new rate.

Re Claim 22: Kelly discloses the claimed process supra and further discloses securing permission of said borrower prior to notification of said borrower's mortgage servicing institution (Page 3 paragraph 0032; inherent in customer initiated; system initiated requests permission).

Re Claim 25: Kelly discloses the claimed process supra and further discloses displaying at least one of said borrower's mortgage servicing institution customer retention program (Paragraphs 0027-0040; via the use of the web site, a customer can view the modification plans, which are designed as a means of customer retention to counteract the risk of refinancing with a different entity).

Re Claim 26: Kelly discloses the claimed process supra and further discloses wherein said customer retention program further comprises at least one of: (iv) mortgage modification options (paragraphs 0030-0040).

Claims 3-4, 8-20 and 23-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kelly in view of Applicants disclosure.

Re Claims 3 and 4: Kelly discloses the claimed process supra but does not explicitly disclose the steps of identification of said borrower's mortgage servicing institution by a borrower's credit report and electronically parsing borrowers credit report to identify at least one of said borrower's mortgage servicing institutions. However it was old and well known in the art to obtain the identity of a borrowers mortgage servicing institution by means of a credit report, as evidenced by applicants own

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disclosure (paragraph 0022). Furthermore electronic parsing of documents for specific information was notoriously well known in the art at the time of invention. Therefore it would have been obvious to anyone of ordinary skill in the art at the time of invention to modify the system of Kelly to include these old and well-known features so that a proper determination of the mortgage servicer can be made if it is not initially known. Without this knowledge, the customer may not be directed to the appropriate place and may seek the more expensive refinancing alternative from a different institution.

Re Claim 8: Kelly discloses a process for a borrower's mortgage customer retention by a mortgage servicing institution comprising the steps of:

- Capturing customer indicia input by a borrower (Page 2, paragraph 0027)

Kelly does not explicitly disclose the steps of

- Identification of the borrower's existing mortgage servicing institution by a borrower's credit report
- Linking said borrower with said existing mortgage borrower's mortgage servicing institution; and
- Notification of the borrower's existing mortgage servicing institution

However Kelly does disclose that the object of his invention is to provide a mortgage instrument that can be continuously modified, either at the request of the customer or automatically when certain parameters have been met (See paragraphs 0008-0010 and 0027-0040). Furthermore Kelly notes that problems with existing systems, specifically for servicers of mortgages is that these institutions often lose customers due to refinancing when a modification might be more beneficial to all parties

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(paragraph 0006). It was also old and well known in the art to obtain the identity of a borrowers mortgage servicing institution by means of a credit report, as evidenced by applicants own disclosure (paragraph 0022). Therefore it would have been obvious to anyone of ordinary skill in the art at the time of invention to modify Kelly to include the steps of identifying, linking and notifying a servicer if one of their customers is seeking a modification, so that these customers do not go the route of refinancing, but rather can modify their existing mortgage, saving the customer money and allowing the servicer to maintain their client. Identification is necessary to avoid inadvertently directing a customer to the wrong place, the linking step allows for the negotiation of an appropriate modification, and the notification of the servicing institution is necessary so that they are aware of a customer wishing to modify and they can enter negotiations or offer them a new rate.

Re Claim 9: Kelly discloses the claimed process supra and further discloses securing permission of said borrower prior to notification of said borrower's mortgage servicing institution (Page 3 paragraph 0032; inherent in customer initiated; system initiated requests permission).

Re Claim 10: Kelly discloses the claimed process supra but does not explicitly disclose the step of electronically parsing borrowers credit report to identify at least one of said borrower's mortgage servicing institutions. However the step of parsing an electronic document was notoriously old and well known in the art at the time of invention and would have been obvious to anyone of ordinary skill. One would be

motivated to modify the Kelly reference to include this step in order to identify particular bits of information from an electronic document.

Re Claim 11: Kelly discloses the claimed process supra and further discloses the step of displaying at least one borrower's servicing institution on a computer screen after electronically parsing said borrower's credit report (0019)

Re Claim 12: Kelly discloses the claimed process supra and further discloses displaying borrower's mortgage servicing institution's customer retention program (Paragraphs 0027-0040; via the use of the web site, a customer can view the modification plans, which are designed as a means of customer retention to counteract the risk of refinancing with a different entity).

Re Claim 13: Kelly discloses the claimed process supra and further discloses wherein said customer retention program further comprises at least one of: (iv) mortgage modification options (paragraphs 0030-0040).

Re Claim 14: Kelly discloses the claimed process supra and further discloses performing a mortgage modification on said borrower's mortgage (0027-0029).

Re Claim 15: Kelly discloses a process for a borrower's mortgage customer retention by a mortgage servicing institution comprising the steps of:

- Capturing customer indicia input by a borrower (Page 2, paragraph 0027)
- Kelly does not explicitly disclose the steps of
- Identification of at least one of said borrower's existing mortgage servicing institution by a borrower's credit report

- Displaying at least one of said borrower's existing mortgage servicing institutions on a computer screen after reading said borrower's credit report
- Linking said borrower with said mortgage borrower's existing mortgage servicing institution; and
- Notification of the borrower's existing mortgage servicing institution

However Kelly does disclose that the object of his invention is to provide a mortgage instrument that can be continuously modified, either at the request of the customer or automatically when certain parameters have been met (See paragraphs 0008-0010 and 0027-0040). Furthermore Kelly notes that problems with existing systems, specifically for servicers of mortgages is that these institutions often lose customers due to refinancing when a modification might be more beneficial to all parties (paragraph 0006). It was also old and well known in the art to obtain the identity of a borrowers mortgage servicing institution by means of a credit report, as evidenced by applicants own disclosure (paragraph 0022). Therefore it would have been obvious to anyone of ordinary skill in the art at the time of invention to modify Kelly to include the steps of identifying, linking and notifying a servicer if one of their customers is seeking a modification, so that these customers do not go the route of refinancing, but rather can modify their existing mortgage, saving the customer money and allowing the servicer to maintain their client. Identification is necessary to avoid inadvertently directing a customer to the wrong place, the linking step allows for the negotiation of an appropriate modification, and the notification of the servicing institution is necessary so that they are

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aware of a customer wishing to modify and they can enter negotiations or offer them a new rate. Furthermore Kelly discloses a computer screen (Fig 1) and it is notoriously well known in the art and would therefore be obvious to anyone of ordinary skill, to utilize a screen to display electronic information.

Re Claim 16: Kelly discloses the claimed process supra and further discloses securing permission of said borrower prior to notification of said borrower's mortgage servicing institution (Page 3 paragraph 0032; inherent in customer initiated; system initiated requests permission).

Re Claim 17: Kelly discloses the claimed process supra but does not explicitly disclose the step of electronically parsing borrowers credit report to identify at least one of said borrower's mortgage servicing institutions. However the step of parsing an electronic document was notoriously old and well known in the art at the time of invention and would have been obvious to anyone of ordinary skill. One would be motivated to modify the Kelly reference to include this step in order to identify particular bits of information from an electronic document. The display of this information is redundant from claim 15.

Re Claim 18: Kelly discloses the claimed process supra and further discloses displaying borrower's mortgage servicing institution's customer retention program (Paragraphs 0027-0040; via the use of the web site, a customer can view the modification plans, which are designed as a means of customer retention to counteract the risk of refinancing with a different entity).

Re Claim 19: Kelly discloses the claimed process supra and further discloses wherein said customer retention program further comprises at least one of: (iv) mortgage modification options (paragraphs 0030-0040).

Re Claim 20: Kelly discloses the claimed process supra and further discloses performing a mortgage modification on said borrower's mortgage (0027-0029).

Re Claims 23 and 24: Kelly discloses the claimed process supra but does not explicitly disclose the steps of identification of said borrower's mortgage servicing institution by a borrower's credit report and electronically parsing borrowers credit report to identify at least one of said borrower's mortgage servicing institutions. However it was old and well known in the art to obtain the identity of a borrowers mortgage servicing institution by means of a credit report, as evidenced by applicants own disclosure (paragraph 0022). Furthermore electronic parsing of documents for specific information was notoriously well known in the art at the time of invention. Therefore it would have been obvious to anyone of ordinary skill in the art at the time of invention to modify the system of Kelly to include these old and well-known features so that a proper determination of the mortgage servicer can be made if it is not initially known. Without this knowledge, the customer may not be directed to the appropriate place and may seek the more expensive refinancing alternative from a different institution.

Response to Arguments

Applicant's arguments filed 9/15/2006 have been fully considered but they are not persuasive.

As a first note Applicant has not responded to the objection of the specification from the last action. This needs to be addressed in future responses.

Applicant first argues that the Kelly invention offers no way of implementing the invention with an already existing mortgage, nor even mentions the invention being useful for an already existing mortgage instrument. However the examiner believes the applicant has misinterpreted the reference in that, while the product disclosed by Kelly is a "new" product, once implemented it eliminates the need for future refinances and new negotiations (See abstract, paragraph 008). Much like the applicants product or system would be "new," when first implemented, the cited part of Kelly relied upon in the Remarks does not indicate a traditional refinance. In fact, the objective of Kelly is to provide relief from the "traditional refinance process" (Abstract), much like the applicant, via this product.

Applicant continues that "the loan modification by Allen is not a refinance, it is a change to interest rate and/or payment requirements without requiring the borrower to implement a new loan or classic refinancing as is required by the teachings of the Kelly reference." Again to the contrary, Kelly teaches exactly that; "a customers interest rate may be reduced without going through the traditional refinance process" (Abstract).

Applicant also claims "unlike the Kelly reference, the process claimed by Allen begins with the actual borrower." However Kelly also discloses this feature (paragraph 0032, "user initiated change.")

Finally the applicant argues why the present invention is advantageous to the borrower (saves refinancing fees) and the mortgage servicer (retains the borrower). Kelly explicitly appreciates these two advantages as well (paragraph 0005 and 0006).

In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). In this case Kelly teaches a mortgage product that is not a traditional refinance in that it allows for a change in interest rates without negotiating a new contract with a new mortgage institution or servicer. Furthermore a suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references. . . . The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. *In re Kotzab*, 217 F.3d 1365, 1370 (Fed. Cir. 2000). In this case the teachings of Kelly, coupled with the nature of the problem to be solved (problems with refinances) provides ample evidence and motivation to a person of ordinary skill to make the proposed modification.

Finally in response to the applicants argument that Kelly does not provide a reasonable expectation of success, the examiner recognizes that obviousness does not require absolute predictability, however, at least some degree of predictability is required. Evidence showing there was no reasonable expectation of success may support a conclusion of nonobviousness. *In re Rinehart*, 531 F.2d 1048, 189 USPQ 143 (CCPA 1976). Kelly, in considering the same problems as Allen, and providing a substantially similar system for solving said problem provides quite a bit more than a "general approach that seemed to be a promising field of experimentation." Furthermore the applicant has not provided any evidence as to why undue experimentation would be required and therefore has not supported this conclusion with regards to the prior art and the present invention.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on 571-272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.


RICHARD E. CHILCOT, JR.
PATENT EXAMINER